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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

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## FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING July 1, 2008 AND ENDING June 30, 2009  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Freedom Investors Corp.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

333 Bishops Way Suite 122

(No. and Street)

Brookfield

WI

53005

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Amy Siesennop

(262) 436-8730

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Reilly, Penner &amp; Benton LLP

(Name - if individual, state last, first, middle name)

1233 North Mayfair Road, Suite 302

Milwaukee WI

53226

(Address)

(City)

(State)

(Zip Code)

## CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

AD  
10/09

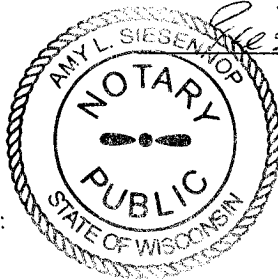
# OATH OR AFFIRMATION

I, Jael Blumenschein, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Freedom Investors Corp, as of June 30, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature

Title

Notary Public



This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**Computation of Net Capital and Aggregate Indebtedness**  
For the Year Ended June 30, 2009

Net Capital Computation:

Stockholder's equity at year end	\$ 104,913
Unallowed receivable	(94,120)
Net capital	<u>\$ 10,793</u>

Computation of Basic Net Capital Requirement:

Minimum net capital required (6 2/3% of aggregate indebtedness)	<u>\$ 960</u>
Minimum dollar net capital requirement	<u>\$ 5,000</u>
Net capital requirement	<u>\$ 5,000</u>

Computation of Aggregate Indebtedness:

Total liabilities	<u>\$ 14,400</u>
Aggregate indebtedness	<u>\$ 14,400</u>

Percentage of Aggregate Indebtedness to Net Capital 131 %

Reconciliation with Company's Computation (included in Part IIA of Form X-17A-5 as of June 30):

Net capital, as reported in Company's Part IIA (unaudited) FOCUS report and per audit	20,793
Net effect of audit adjustments to cash account	<u>(10,000)</u>
Net capital	<u>\$ 10,793</u>

See Independent Auditors' Report.

Richard A. Raymaker  
Steven C. Barney  
Steven R. Volz  
Daniel R. Brophy  
Thomas G. Wieland  
Michael W. Van Wagenen



**Reilly, Penner & Benton LLP**

Certified Public Accountants & Consultants

*Celebrating Over 100 Years of Client Service*

David A. Grotkin  
Joel A. Joyce  
Brian J. Mechenich  
Carrie A. Gindt  
Patrick G. Hoffert

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

To the Board of Directors,  
Freedom Investors Corp.

In planning and performing our audit of the financial statements of Freedom Investors Corp. (the Company), as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Freedom Investors Corp. that we considered relevant to the objectives stated in Rule 17a-5(g)(1), in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(11). We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Sec. 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control was for the limited purpose described in the preceding paragraphs and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

### **Separation of Duties**

The Company operates its accounting and reporting function with principally one individual, which precludes a proper segregation of duties. This condition is not, however, unusual in entities the size of Freedom Investors Corp. It is important for management to be aware of this condition, and to realize that the concentration of duties and responsibilities in one individual is not desirable from a control point of view. Under these conditions, the most effective controls rest in management's knowledge and monitoring of matters relating to the Company's financial affairs.

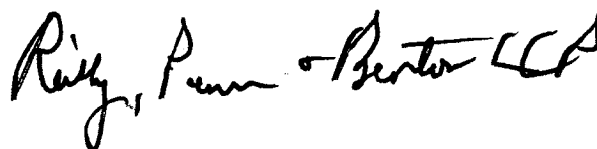
### **Preparation of Financial Statements**

We were requested to prepare the financial statements and footnote disclosures for the Company, because the Company currently does not internally possess the expertise to prepare these statements and footnote disclosures in accordance with generally accepted accounting principles. This condition, although very common, represents a significant deficiency in internal controls, as defined under current auditing standards.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that none of the above deficiencies constitute material weaknesses.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at June 30, 2009, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934, and should not be used for any other purposes.



August 26, 2009  
Milwaukee, Wisconsin

**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**AUDITED FINANCIAL STATEMENTS**

Year Ended June 30, 2009

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Freedom Investors Corp.

We have audited the accompanying balance sheet of Freedom Investors Corp. as of June 30, 2009 and the related statements of income, changes in stockholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freedom Investors Corp. at June 30, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying computation of net capital and aggregate indebtedness schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

August 26, 2009  
Milwaukee, Wisconsin

**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**Balance Sheet**  
June 30, 2009

**ASSETS**

Current Assets:

Cash and equivalents	\$	10,789
Accounts receivable - Commissions		14,404
Total current assets		<u>25,193</u>

Other Assets:

Accounts receivable		94,120
Total assets	\$	<u><u>119,313</u></u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Current Liabilities:

Accounts payable:		
Parent company	\$	2,700
Other		8,700
Income taxes payable		3,000
Total current liabilities		<u>14,400</u>

Stockholder's Equity:

Common stock		1,000
Additional paid in capital		152,384
Retained earnings (deficit)		(48,471)
Total stockholder's equity		<u>104,913</u>

Total liabilities and stockholder's equity	\$	<u><u>119,313</u></u>
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The accompanying notes to financial statements  
are an integral part of these statements.



**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**Statement of Income**  
For the Year Ended June 30, 2009

<u>Income:</u>	
Commissions earned	\$ 1,304,372
<u>Expenses:</u>	
Commission expense	718,988
Management fees	508,464
Other operating expenses	30,046
Total expenses	<u>1,257,498</u>
Income from operations	46,874
<u>Other Income:</u>	
Interest income	10,841
Other income	1,203
Total other income	<u>12,044</u>
Income before income taxes	58,918
<u>Provision for Income Taxes</u>	<u>3,000</u>
Net income	<u>\$ 55,918</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**FREEDOM INVESTORS CORP.**

Brookfield, Wisconsin

**Statement of Changes in Stockholder's Equity**

For the Year Ended June 30, 2009

	<u>Common Stock</u>	<u>Additional Paid In Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total Stockholder's Equity</u>
Balance, July 1, 2008	\$ 1,000	\$ 92,384	\$ (57,077)	\$ 36,307
Additional capital contribution	---	60,000	---	60,000
Net income	---	---	55,918	55,918
Dividends paid	---	---	(47,312)	(47,312)
Balance, June 30, 2009	\$ 1,000	\$ 152,384	\$ (48,471)	\$ 104,913

The accompanying notes to financial statements  
are an integral part of these statements.

**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**Statement of Cash Flows**  
For the Year Ended June 30, 2009

Cash Flows from Operating Activities:	
Net income	\$ 55,918
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(63,807)
Accounts payable	(33,298)
Income taxes payable	3,000
Net cash for operating activities	<u>(38,187)</u>
Cash Flows from Financing Activities:	
Dividends paid	\$ (47,312)
Capital contributions	60,000
Net cash from financing activity	<u>12,688</u>
Net change in cash and equivalents	(25,499)
Cash and equivalents, Beginning of year	<u>36,288</u>
Cash and equivalents, End of year	<u>\$ 10,789</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2009

**1. Summary of Significant Accounting Policies**

**Business Activity**

The Company was incorporated in the state of Wisconsin on November 25, 1988. The Company is registered with the Securities and Exchange Commission, the National Association of Securities Dealers, and Securities Investor Protection Corporation. The Company's principal business activity is the sale of securities and annuities.

**Cash and Equivalents**

Cash and equivalents consist of the Company's checking and money market accounts.

**Reserves and Custody of Securities**

The Company did not hold securities for sale, nor does it hold customer securities at June 30, 2009. Because the Company does not handle customers' securities, Rule 15(c)3-3, in regard to computation for determination of reserve requirements and information relating to the possession or control requirements, does not apply.

**Accounts Receivable**

Accounts receivable are reported at contract value, less our estimate for uncollectible amounts based on experience relative to the population of accounts receivable.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (August 26, 2009). There were no subsequent events that required recognition or disclosure.

**2. Net Capital Requirements**

As a registered broker/dealer and member of the National Association of Securities Dealers, Inc., the Company is subject to the Uniform Net Capital Rule, which required the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2009, the Company's net capital and required net capital were \$10,793 and \$5,000, respectively. The ratio of aggregate indebtedness to net capital was 1.31 to 1.

**3. Common Stock**

Common stock consists of 2,500 authorized, 1,000 issued and outstanding no par value shares.

**4. Filing Requirements**

There were no liabilities subordinated to claims of creditors during the year ended June 30, 2009. Accordingly, a statement of changes in liabilities subordinated to claims of creditors is not included in the financial statements as required by rule 17a-5 of the Securities and Exchange Commission.

**FREEDOM INVESTORS CORP.**  
Brookfield, Wisconsin

**Notes to Financial Statements**  
June 30, 2009  
(Continued)

**5. Related Party Transactions**

The Company paid management fees during the year to its parent company as follows:

Freedom Securities, Inc.	\$	508,464
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**6. Income Taxes**

The Company received a tax benefit of approximately \$7,000 in the current year due to the utilization of net operating loss carryovers.

**7. Receivable - Customer**

During the year, the Company was required to cover a margin call for one of its clients. The Company is in the process of attempting to collect this balance from its client. During this collection process, the Company is receiving periodic payments from the independent representative that established the account. These payments have reduced the receivable balance to \$94,120 at June 30, 2009.

**8. Commitments**

The Company is periodically subject to examination of its operations by various regulatory agencies. It is management's opinion that none of these examinations will have a material effect on the Company's financial statements.